CLASSIFICATION CONTROL

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INFORMATION REPORT

CD NO.

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3.

COUNTRY

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CONFIDENTIAL

DATE DISTR. 22 JUN 50

SUBJECT

Korea/Japan

Narcotics Sauggling between Korea and Japan

NO. OF PAGES

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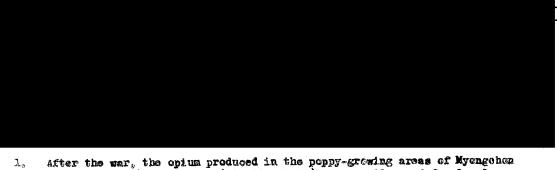
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SUPPLEMENT TO REPORT NO.

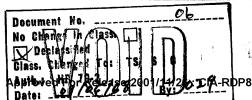
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- (129-28, 41-12) and Kilchu (129-20, 40-58) was partly used for legal sanufacture of pharmaceuticals and partly sauggled into Manchuria and South Korea. Restrictions imposed by the Chinese Communists after they gained central of Manchuria, however, forced most of the sauggled opium trade back into Kerea. Sees opium is legally manufactured into anaesthetics and anodynes at the National Drug Manufacturing Center in Changdong (125-38, 39-52), but some is still sauggled across the border into South Korea
- South Korean tradors believe that the North Korean government tacitly approves the sauggling of opium into South Keres and that the proceeds of opium and narcotic smuggling are used for financing Communist efforts in South Korea. Opium is carried from north to south by sea or by land. Sea traffic is inspected by the East Sea Coast Guard at Wensan (127-26% 39-10). The principal exports carried by ship from the north are carbide and marine products such as cotopus and pollack; opium and other narrotles are concealed in these goods. Opium carried over land is buried immediately after crossing the 38th Parallel. It is recovered later at less risk.
- Part of the opium sauggled into South Korea is sold there to drug addicts. but part is sauggled from there into Japan. Because of the low rate of exchange between dollars and you on the Japanese black market, morphine and other drugs are more valuable than their dellar courselents for trading. Traders buy morphine in South Korea at 1,500,000 won per pound and sell it in Japan for 1,200,000 yea. With the profits of the sale they purchase cosmotics, silks, and other commodities which have a higher sale value in South Korea and carry them back legally. They obtain ordinary export permits from the Maritime Security Bureau and pay regular customs duty in the port of Pusam (129-02, 35-06). Comparative prices for Japanese export items are as follows:

	Japanese yen	South Korean won
Skirt material (meter?)	400	8,000
Shirts	300	5,000
Socks	100	500
Cognetics (face cream)	50~100	600-2,000
Aluminum utensils	100	1,700

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This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

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